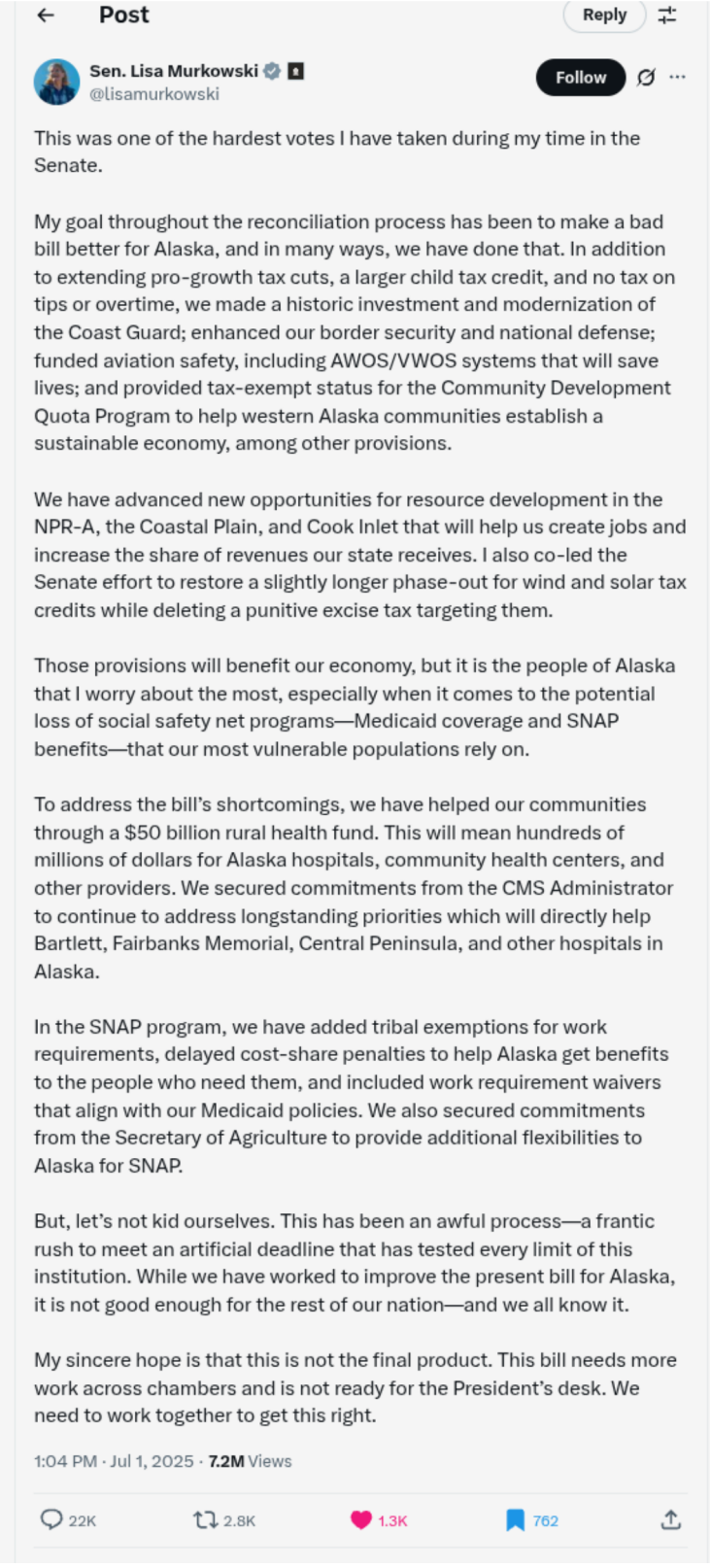
Senator Lisa Murkowski's pivotal vote on July 1, 2025, enabled the passage of the "One Big Beautiful Bill" in the U.S. Senate, allowing Vice President J.D. Vance to break a 51-50 tie. Despite her hope for House revisions to soften the bill's impact, the House passed the Senate's version unchanged on July 3, 2025, and President Trump signed it into law on July 4, 2025, under intense political pressure. Murkowski's vote, secured through negotiations with Senate Majority Leader John Thune, included Alaska-specific carve-outs, notably tax breaks for whaling and fishing, which have drawn significant attention amid widespread backlash against her in Alaska and nationally. This response provides a deeper dive into these tax breaks, alongside a comprehensive analysis of the other carve-outs, Thune's efforts to secure her vote, the bill's enactment, the public's negative reaction, and the implications for Alaska in the 2030s.

Alaska-Specific Carve-Outs in the Bill

Murkowski negotiated several provisions to protect Alaska from the bill's $3.3 trillion deficit increase and deep cuts to social programs, with a particular focus on economic and cultural priorities. Below are the key carve-outs, with an in-depth focus on the tax breaks for whaling and fishing.

1. SNAP (Supplemental Nutrition Assistance Program) Exemptions
- **Details**: The bill imposed stricter SNAP cost-sharing and work requirements, shifting costs to states. Murkowski secured a two-year exemption (until 2027) for the ten states with the highest SNAP payment error rates, including Alaska, after the Senate parliamentarian rejected an exemption limited to noncontiguous states (Alaska and Hawaii). The provision was broadened to include states like New York, Florida, and Georgia, ensuring compliance with reconciliation rules. Additionally, SNAP benefits in Alaska and Hawaii were adjusted to reflect higher local grocery costs, a unique concession not extended to other high-cost regions.
- **Impact on Alaska**: The exemption delays cost-sharing, protecting low-income Alaskans reliant on SNAP, particularly in rural areas where food insecurity is high (e.g., 14.7% of Alaskan households faced food insecurity in 2023, per USDA data). The grocery cost adjustment ensures benefits better align with Alaska's elevated living expenses, where food prices in remote communities can be 2-3 times higher than the national average.

2. Medicaid Protections
- **Details**: The bill's $1 trillion Medicaid cuts over a decade threatened Alaska, where 33% of residents rely on Medicaid due to high healthcare costs and limited rural access. Murkowski negotiated a $50 billion rural hospital fund (up from $15 billion) to be distributed over five years, doubling the initial offer after intense lobbying.



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Reply

Sen. Lisa Murkowski
@lisamurkowski

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This was one of the hardest votes I have taken during my time in the Senate.

My goal throughout the reconciliation process has been to make a bad bill better for Alaska, and in many ways, we have done that. In addition to extending pro-growth tax cuts, a larger child tax credit, and no tax on tips or overtime, we made a historic investment and modernization of the Coast Guard; enhanced our border security and national defense; funded aviation safety, including AWOS/VWOS systems that will save lives; and provided tax-exempt status for the Community Development Quota Program to help western Alaska communities establish a sustainable economy, among other provisions.

We have advanced new opportunities for resource development in the NPR-A, the Coastal Plain, and Cook Inlet that will help us create jobs and increase the share of revenues our state receives. I also co-led the Senate effort to restore a slightly longer phase-out for wind and solar tax credits while deleting a punitive excise tax targeting them.

Those provisions will benefit our economy, but it is the people of Alaska that I worry about the most, especially when it comes to the potential loss of social safety net programs—Medicaid coverage and SNAP benefits—that our most vulnerable populations rely on.

To address the bill's shortcomings, we have helped our communities through a $50 billion rural health fund. This will mean hundreds of millions of dollars for Alaska hospitals, community health centers, and other providers. We secured commitments from the CMS Administrator to continue to address longstanding priorities which will directly help Bartlett, Fairbanks Memorial, Central Peninsula, and other hospitals in Alaska.

In the SNAP program, we have added tribal exemptions for work requirements, delayed cost-share penalties to help Alaska get benefits to the people who need them, and included work requirement waivers that align with our Medicaid policies. We also secured commitments from the Secretary of Agriculture to provide additional flexibilities to Alaska for SNAP.

But, let's not kid ourselves. This has been an awful process—a frantic rush to meet an artificial deadline that has tested every limit of this institution. While we have worked to improve the present bill for Alaska, it is not good enough for the rest of our nation—and we all know it.

My sincere hope is that this is not the final product. This bill needs more work across chambers and is not ready for the President's desk. We need to work together to get this right.

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She also secured “greater flexibility” from CMS to optimize Alaska’s Medicaid funds, though specifics remain undefined after the parliamentarian rejected a higher federal Medicaid match for Alaska.
- **Impact on Alaska**: The rural hospital fund supports Alaska’s 15 critical access hospitals, which serve remote communities with limited healthcare options. The CBO estimates the Medicaid cuts will leave 11.8 million more Americans uninsured by 2034, but the fund and CMS flexibility provide a partial buffer for Alaska, though not a long-term solution.

3. Energy Provisions
- **Details**: Murkowski, a key advocate for Alaska’s energy sector, secured new oil and gas lease sales in the Arctic National Wildlife Refuge (ANWR) and National Petroleum Reserve-Alaska (NPR-A), with Alaska’s revenue share increasing from 50% to 70% starting in 2034. She also eliminated a proposed excise tax on new wind and solar projects and preserved Inflation Reduction Act clean energy tax credits for projects beginning construction soon, supporting rural renewable energy initiatives like those in Kotzebue.
- **Impact on Alaska**: The increased revenue share could generate hundreds of millions annually for Alaska’s budget by the 2030s, funding infrastructure and services. However, declining global oil demand and environmental litigation may limit these gains. The preserved credits support solar and wind projects in Alaska’s 200+ off-grid villages, reducing reliance on costly diesel (e.g., diesel costs $5-10 per gallon in rural Alaska).

4. Tax Breaks for Alaskan Whaling and Fishing
- **Bowhead Whaling Tax Deduction**:
  - **Details**: The bill increased the tax deduction for bowhead whaling boat captains recognized by the Alaska Eskimo Whaling Commission from $10,000 to $50,000 per year for expenses related to whale hunting. This covers costs like fuel, boat maintenance, and equipment for subsistence whaling, a cultural and economic practice for Alaska Native communities, particularly the Iñupiat in the North Slope. The deduction applies to approximately 50-60 registered whaling captains across 11 Alaskan villages, such as Utqiaġvik and Kaktovik, who lead hunts for bowhead whales under International Whaling Commission quotas (Alaska is allocated 67 strikes annually). The provision was inserted into the bill’s tax title during Murkowski’s negotiations with Thune, reflecting her focus on Indigenous priorities.
  - **Cost and Scope**: The CBO estimated the deduction’s cost at $2.5 million annually, a minor fraction of the bill’s $1.7 trillion tax package. The increase from $10,000 to $50,000 accounts for rising fuel and equipment costs in remote Arctic communities, where a single hunt can cost $20,000-$40,000 due to high transportation and supply expenses (e.g., fuel in Utqiaġvik averages $6-8 per gallon).
  - **Impact**: The deduction provides significant financial relief to whaling captains, who often fund hunts communally without personal profit. It supports cultural preservation for Iñupiat communities, where bowhead whaling is central to identity and food security (a single whale can yield 20-30 tons of meat and blubber, feeding hundreds). The provision also boosts local economies by freeing up funds for other household needs. However, its narrow scope (affecting fewer than 100 individuals) limits broader economic impact, and critics argue it’s a symbolic gesture compared to the bill’s larger cuts.

- **Fishing Village Tax Breaks**:
  - **Details**: Murkowski secured a new tax credit for small-scale commercial and subsistence fishing operations in Alaskan Native villages, defined as communities with populations under 2,500 and at least 50% Alaska Native residents (approximately 70 villages qualify, per 2020 Census data). The credit covers 20% of expenses up to $25,000 annually for fishing-related costs, including nets, boat fuel, and processing equipment. Eligible communities include those along Alaska’s coast and rivers, such as Ketchikan, Dillingham, and Bethel, where fishing supports both livelihoods and food security. The credit was added to the bill’s rural economic development section, costing an estimated $15 million annually, per CBO projections.
  - **Impact**: The credit benefits thousands of Alaska Native fishermen, who face high operational costs due to remote locations and limited infrastructure (e.g., transporting fish to markets can cost $1,000 per trip). It supports subsistence fishing, critical for communities where 80% of protein comes from fish like salmon and halibut, and bolsters small-scale commercial operations that contribute to Alaska’s $5.6 billion seafood industry. By reducing tax burdens, the credit enhances economic resilience in villages with median incomes often below $40,000.

- **Criticism of Tax Breaks**: Both provisions have been derided as “pork” or “special-interest giveaways.” X posts and editorials in Alaskan media, like the Anchorage Daily News, have called them “Murkowski’s handouts,” arguing they benefit a small subset of Alaskans while the bill’s broader cuts harm the state’s broader population. Nationally, progressive groups have criticized the tax breaks as inequitable, noting that wealthier taxpayers benefit more from deductions and credits, while low-income Alaskans face SNAP and Medicaid reductions.

How John Thune Secured Murkowski's Vote

Murkowski's vote was critical in a Senate with a 53-seat Republican majority, where only three defections could be tolerated. As a moderate wary of the bill's fiscal and social impacts, she required extensive negotiations:

- **Negotiations**: During a 26-hour "vote-a-rama" from June 30 to July 1, 2025, Thune, with Senators John Barrasso, Lindsey Graham, and Dan Sullivan, lobbied Murkowski relentlessly. She opposed the bill's $3.3 trillion deficit increase and cuts to Medicaid and SNAP, which would hit Alaska's 33% Medicaid-dependent population and 14.7% food-insecure households hard. After the parliamentarian rejected an Alaska-Hawaii SNAP exemption and a Medicaid match increase, Thune's team crafted the SNAP error-rate exemption and doubled the rural hospital fund to $50 billion. The whaling and fishing tax breaks were added as sweeteners, addressing Murkowski's priority of supporting Native communities.
- **Final Deal**: By 8 a.m. EDT on July 1, Murkowski was seen reviewing the 900-page bill with Thune, Graham, and Mike Crapo. Her quip about the "copy machine" signaled her likely support. Thune's team had a fallback plan to flip Senator Rand Paul, but Murkowski's vote was secured with the Alaska-specific provisions.
- **The Vote**: On July 1, Murkowski cast the 50th "yea," joining 48 Republicans and Sullivan. With Senators Susan Collins, Rand Paul, and Thom Tillis voting "no" alongside all 47 Democrats, the vote was 50-50. Vance cast the tie-breaking vote, securing a 51-50 passage. Murkowski called the decision "agonizing," saying, "I fought for Alaska, but this bill isn't what I wanted."

Bill's Enactment Despite Murkowski's Wishes

Murkowski hoped the House would revise the bill to mitigate its cuts, particularly to Medicaid and SNAP, which she viewed as harmful despite her carve-outs. However, the House, under GOP control, passed the Senate's version unchanged on July 3, 2025, driven by Trump's demand for a quick win and reconciliation rules limiting amendments. The rushed process, fueled by Trump's public pressure via X posts and rallies, left no room for Murkowski's desired changes. Trump signed the bill on July 4, 2025, framing it as a "patriotic triumph" for tax cuts and deregulation, ignoring Murkowski's concerns about its long-term impacts.

Public Backlash Against Murkowski

Murkowski's vote has made her a lightning rod for criticism, severely damaging her popularity:

- **Alaskan Reaction**: Alaskans, particularly low-income and Native communities, view her vote as a betrayal. Protests in Anchorage, Fairbanks, and Juneau featured signs calling her a "sellout" and chants of "No more Murkowski." X posts from Alaskan users labeled the tax breaks "crumbs" compared to the bill's cuts, with hashtags like #KodiakKickback and #MurkowskiMustGo trending locally. A July 2025 Alaska Public Media poll showed her approval rating at 29%, down from 45% in 2024.
- **Native Community Divide**: While some Iñupiat and fishing village leaders appreciate the tax breaks, others, including the Alaska Federation of Natives, argue they're insufficient to offset Medicaid and SNAP cuts, which disproportionately affect Native Alaskans (40% of whom rely on these programs). A prominent Utqiaġvik elder posted on X, "Whaling deductions don't feed our kids when Medicaid's gone."
- **National Criticism**: Progressives, including Senators Elizabeth Warren and Bernie Sanders, have blasted Murkowski for enabling a bill favoring wealthy tax cuts over social programs. Conservative critics, including some Alaska Republicans, argue she didn't extract enough concessions. National media outlets like The Washington Post called her vote "opportunistic," amplifying the "Kodiak Kickback" narrative.
- **Political Fallout**: The backlash threatens Murkowski's 2028 reelection, with potential primary challengers from both right and left. X posts suggest growing support for figures like Governor Mike Dunleavy (R) or Native activist Mary Peltola (D) to challenge her. Her 23-year Senate tenure is increasingly seen as vulnerable.

2030s Implications for Alaska

The carve-outs, particularly the tax breaks, have mixed long-term implications for Alaska:

1. **Whaling and Fishing Tax Breaks**:
   - **Short-Term**: The whaling deduction ($50,000) and fishing credit ($25,000 cap) provide immediate relief through the 2020s, supporting 50-60 whaling captains and thousands of fishermen in 70+ villages. For whaling, the deduction covers 80-90% of hunt costs, freeing up funds for community needs. The fishing credit offsets 20% of expenses, boosting disposable income in villages with median incomes below $40,000.

- **Long-Term**: These tax breaks are permanent unless repealed, offering stable support into the 2030s. However, their economic impact is limited—$17.5 million annually affects only a small fraction of Alaska's 733,000 residents. They do little to address broader economic challenges, like the $1 trillion Medicaid cuts, which could reduce healthcare access for Native communities by 2034. Rising fuel costs (projected to increase 20-30% by 2035) could also erode the breaks' value unless adjusted.
- **Cultural Impact**: The whaling deduction ensures the continuation of Iñupiat traditions, critical as climate change threatens bowhead migration patterns. The fishing credit supports food security and cultural practices, but its $25,000 cap may not keep pace with inflation, limiting 2030s benefits.

2. **SNAP and Medicaid**:
- **Short-Term**: The two-year SNAP exemption (until 2027) and $50 billion rural hospital fund provide relief, but the fund's $10 billion annual allocation (spread nationwide) is modest compared to Medicaid cuts. CMS flexibility may help, but its vagueness limits planning.
- **Long-Term**: Post-2027, Alaska faces SNAP cost-sharing, potentially straining state budgets (Alaska's 2024 budget was $7.3 billion). Medicaid cuts could close rural clinics, increasing travel costs for care (e.g., $1,000+ flights to Anchorage). The CBO's projection of 11.8 million uninsured by 2034 suggests Alaska's 33% Medicaid population will face significant gaps.
- **Criticism**: Senators Klobuchar and Gallego argue the SNAP exemption rewards inefficiency, potentially complicating 2030s funding debates.

3. **Energy Provisions**:
- **Short-Term**: ANWR and NPR-A lease sales boost state revenue, and preserved clean energy credits support rural projects through 2026.
- **Long-Term**: The 70% revenue share from 2034 could yield $200-500 million annually, per USGS estimates, but declining oil demand (IEA projects a 20% drop by 2035) and lawsuits may reduce gains. The clean energy credit phaseout limits 2030s renewable growth, leaving villages reliant on diesel.

4. **Broader Impacts**:
- The bill's $3.3 trillion deficit increase may trigger fiscal constraints by the 2030s, limiting federal aid for Alaska's infrastructure (e.g., $1 billion needed for rural water systems). Tax cuts favoring the wealthy could widen inequality, with Alaska's high living costs (30% above national average) exacerbating economic strain.
- Public backlash may weaken Alaska's Senate influence if Murkowski loses in 2028, affecting future federal support.

Conclusion

Murkowski's carve-outs in the "One Big Beautiful Bill"—notably the $50,000 whaling deduction and $25,000 fishing village tax credit—provide targeted relief for Alaska's Native communities, supporting cultural and economic resilience. Combined with SNAP exemptions, a $50 billion rural hospital fund, and energy provisions, these measures mitigate some of the bill's harms. However, her vote, secured by Thune's negotiations and enabling Vance's tie-breaker, led to the bill's enactment on July 4, 2025, without her desired House revisions. This has fueled intense backlash, with Alaskans and national critics decrying her as a "sellout" for prioritizing narrow carve-outs over broader cuts. In the 2030s, the tax breaks will offer modest, ongoing support, but their limited scope, expiring exemptions, and the bill's fiscal fallout threaten Alaska's healthcare, economy, and Murkowski's legacy.